

States Begin The Big Push

Some state DOTs bid or advertise highway projects even before money arrives from Washington

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States across the country are moving rapidly to start turning their shares of newly approved economic stimulus money into construction contracts. States are in line to receive about \$40 billion of the stimulus measure's estimated \$130 billion in construction-related funds.

That state funding includes \$26.8 billion for highways, \$7.4 billion for transit, \$3.9 billion for clean water state revolving funds, about \$2 billion for drinking-water SRFs and \$3.1 billion for state energy programs. Most of those funds will be distributed among states according to existing formulas.



President Obama calls on governors to promote transparency when bidding work funded by the stimulus program.

The legislation's total funding for those categories is higher than the amounts states will receive because Congress directed that some of the totals be set aside for specified non-state purposes. For example, of the stimulus measure's \$27.5-billion total for highways, lawmakers subtracted \$550million for road projects on federal lands and Indian reservations. Other set-asides reduce the amount that actually will be parcelled out among states to \$26.8 billion.

Most of the remaining \$90 billion in the stimulus' construction funding will be managed directly by federal agencies, such as the Dept. of Defense and General Services Administration.

One added attraction for states in the stimulus is that the funds are 100% federal money and don't require the usual state matching share, which for highways is 20% of the project's total cost. But Congress also set down some stiff conditions for the transportation portion of the stimulus funds, requiring states to obligate at least 50% of their stimulus allocations within 120 days after the Federal Highway Administration apportions the money. If they fall short of the goal, anything under the 50% level would go back to the U.S. Dept. of Transportation to be redistributed to other states.

States' stimulus spending will be monitored closely. President Obama told the governors at a White House meeting on Feb. 23, "If a federal agency proposes a project that will waste that money, I will put a stop to it. But I want everybody here to be on notice that if a state government does the same, then I will call them out on it and use the full power of my office and our administration to stop it.

" Moreover, state DOTs, local transit agencies and others that receive stimulus transportation funding must file periodic reports to Congress citing how much stimulus money they've obligated and projects started and completed, along with direct and indirect jobs created. The first report is due in mid-May.

Pennsylvania Gov. Edward Rendell (D) notes that it was the governors who called for the "use it or lose it" provision, in a December meeting with then-President- elect Obama. Rendell says the requirement is a good one. "It gives us the leverage we need...to get the job done quickly," he says.

States' Stimulus Aid for Transportation,CleanWater

| State | Highways & Bridges | Transit Capital | Transit Fixed-Guideway Modernization | Clean Water SRF | T&I Comm. Infrastructure Investment Total |
|---------------|--------------------|-----------------|--------------------------------------|-----------------|---|
| Alabama | \$513,692,083 | \$46,459,047 | N/A | \$43,720,677 | \$603,871,807 |
| Alaska | \$175,461,487 | \$41,632,703 | N/A | \$23,400,927 | \$240,495,117 |
| Arizona | \$521,958,401 | \$99,921,878 | \$640,070 | \$26,408,646 | \$648,928,995 |
| Arkansas | \$351,544,468 | \$28,409,450 | N/A | \$25,577,541 | \$405,531,459 |
| California | \$2,569,568,320 | \$1,002,276,804 | \$66,171,889 | \$279,639,756 | \$3,917,656,769 |
| Colorado | \$403,924,130 | \$102,715,664 | \$753,399 | \$31,275,981 | \$538,669,174 |
| Connecticut | \$302,053,956 | \$105,495,951 | \$32,030,396 | \$47,899,863 | \$487,480,166 |
| Delaware | \$121,828,650 | \$17,643,474 | N/A | \$19,194,714 | \$158,666,838 |
| D.C. | \$123,507,842 | \$111,026,519 | \$13,888,380 | \$19,194,714 | \$267,617,455 |
| Florida | \$1,346,735,003 | \$310,785,947 | \$5,410,766 | \$131,981,850 | \$1,794,913,566 |
| Georgia | \$931,585,680 | \$136,180,672 | \$7,380,854 | \$66,108,735 | \$1,141,255,941 |
| Hawaii | \$125,746,380 | \$43,582,582 | \$254,793 | \$30,282,417 | \$199,866,172 |
| Idaho | \$181,934,631 | \$18,398,968 | N/A | \$19,194,714 | \$219,528,313 |
| Illinois | \$935,592,704 | \$371,448,884 | \$96,088,797 | \$176,834,988 | \$1,579,965,373 |
| Indiana | \$657,967,707 | \$78,427,240 | \$5,858,540 | \$94,230,081 | \$836,483,568 |
| Iowa | \$358,162,431 | \$36,483,617 | N/A | \$52,917,876 | \$47,563,924 |
| Kansas | \$347,817,167 | \$30,727,408 | N/A | \$35,292,807 | \$413,837,382 |
| Kentucky | \$421,094,991 | \$50,295,172 | N/A | \$49,763,241 | \$521,153,404 |
| Louisiana | \$429,859,427 | \$63,308,870 | \$2,425,343 | \$42,982,236 | \$538,575,876 |
| Maine | \$130,752,032 | \$13,266,106 | N/A | \$30,266,973 | \$174,285,111 |
| Maryland | \$431,034,777 | \$163,996,393 | \$15,265,694 | \$94,566,384 | \$704,863,248 |
| Massachusetts | \$437,865,255 | \$267,355,159 | \$52,362,925 | \$132,750,486 | \$890,333,825 |
| Michigan | \$847,204,834 | \$134,823,341 | \$133,125 | \$168,121,008 | \$1,150,282,308 |
| Minnesota | \$502,284,177 | \$92,241,542 | \$1,851,573 | \$71,865,189 | \$668,242,481 |
| Mississippi | \$354,564,343 | \$25,466,306 | N/A | \$35,227,071 | \$415,257,720 |

| | | | | | |
|--|-------------------------|------------------------|----------------------|------------------------|-------------------------|
| Missouri | \$637,121,984 | \$83,844,094 | \$1,289,449 | \$108,391,536 | \$830,647,063 |
| Montana | \$211,793,391 | \$15,611,710 | N/A | \$19,194,714 | \$246,599,815 |
| Nebraska | \$235,589,279 | \$23,309,592 | N/A | \$19,998,891 | \$278,897,762 |
| Nevada | \$201,352,460 | \$49,463,771 | N/A | \$19,194,714 | \$270,010,945 |
| New Hampshire | \$129,440,556 | \$13,164,584 | N/A | \$39,073,716 | \$181,678,856 |
| New Jersey | \$651,774,480 | \$447,395,727 | \$76,835,714 | \$159,778,179 | \$1,335,784,100 |
| New Mexico | \$252,644,377 | \$27,749,995 | N/A | \$19,194,714 | \$299,589,086 |
| New York | \$1,120,684,723 | \$967,435,186 | \$254,817,805 | \$431,570,997 | \$2,774,508,711 |
| North Carolina | \$735,526,684 | \$103,304,242 | N/A | \$70,566,210 | \$909,397,136 |
| North Dakota | \$170,126,497 | \$10,997,090 | N/A | \$19,194,714 | \$200,318,301 |
| Ohio | \$935,677,030 | \$167,035,629 | \$12,772,779 | \$220,115,115 | \$1,335,600,553 |
| Oklahoma | \$464,655,225 | \$39,163,565 | N/A | \$31,589,118 | \$535,407,908 |
| Oregon | \$333,902,389 | \$74,591,211 | \$1,125,728 | \$44,169,147 | \$453,788,475 |
| Pennsylvania | \$1,026,429,012 | \$263,399,365 | \$80,303,844 | \$154,879,758 | \$1,525,011,979 |
| Rhode Island | \$137,095,725 | \$29,488,347 | \$63,943 | \$26,254,008 | \$192,902,023 |
| South Carolina | \$463,081,483 | \$41,154,218 | N/A | \$40,055,697 | \$544,291,398 |
| South Dakota | \$183,027,359 | \$11,289,101 | N/A | \$19,194,714 | \$213,511,174 |
| Tennessee | \$572,701,043 | \$71,988,324 | \$28,040 | \$56,799,369 | \$701,516,776 |
| Texas | \$2,250,015,146 | \$371,915,095 | \$2,609,607 | \$178,709,751 | \$2,803,249,599 |
| Utah | \$213,545,653 | \$58,084,648 | N/A | \$20,601,603 | \$292,231,904 |
| Vermont | \$125,791,291 | \$5,680,572 | N/A | \$19,194,714 | \$150,666,577 |
| Virginia | \$694,460,823 | \$111,896,119 | \$4,209,386 | \$80,018,631 | \$890,584,959 |
| Washington | \$492,242,337 | \$172,347,328 | \$6,699,276 | \$67,994,982 | \$739,283,923 |
| West Virginia | \$210,852,204 | \$18,366,136 | \$309,339 | \$60,951,429 | \$290,479,108 |
| Wisconsin | \$529,111,915 | \$81,397,594 | \$243,232 | \$105,704,379 | \$716,457,120 |
| Wyoming | \$157,616,058 | \$9,300,398 | N/A | \$19,194,714 | \$186,111,170 |
| American Samoa | * | \$341,099 | N/A | \$3,445,800 | \$3,786,899 |
| Guam | * | \$921,976 | N/A | \$2,465,600 | \$3,387,576 |
| N. Marianas | * | \$1,114,292 | N/A | \$1,547,900 | \$2,662,192 |
| Puerto Rico | \$105,000,000 | \$68,295,183 | \$675,314 | \$50,996,484 | \$224,966,981 |
| Virgin Islands | * | \$1,284,112 | N/A | \$1,958,000 | \$3,242,112 |
| TOTAL | \$26,810,000,000 | \$6,733,700,000 | \$742,500,000 | \$3,860,698,173 | \$38,146,898,173 |
| *THE TERRITORIAL HIGHWAY PROGRAM RECEIVES \$45,000,000 UNDER THE H.R. 1 CONFERENCE REPORT. | | | | | |

“I think states all over the country are scrambling to do their best to get as much work under way as soon as they can,” says John Horsley, American Association of State Highway and Transportation Officials executive director. “I’m confident they will all obligate that first 50% in the time allotted.

” Some states dashed out of the gate. The quickest was Missouri. Just after Obama signed the stimulus bill on Feb. 17, the state DOT began work on a replacement for the Osage River Bridge, near Tuscumbia.

Other states were not far behind. The day after the stimulus was enacted, Maryland’s Board of Public Works approved \$365million in stimulus-funded transportation projects, including highway resurfacing, bridge repairs and rail-transit improvements. Those projects were “locked, loaded and

ready to go,” says Gov.Martin O’Malley (D), who also is a member of the public works board.

O’Malley says the state pre-bid the work, anticipating that federal stimulus dollars would be coming. A second batch of project approvals is expected around mid-March. “Over the course of the next three to four weeks, you will actually see road crews out there, applying the dollars from the stimulus and supporting 10,000 new jobs,” O’Malley says.

In Pennsylvania, the state has focused on a fix-it-first strategy for its highway stimulus dollars, concentrating on up-grades to existing roads and bridges, projects that don’t require acquiring rights of way or new environmental clearances that slow down work.

Developing Lists

| TOP 15 STATES Drinking Water State Revolving Fund | |
|---|-------------------|
| State | \$M Investment |
| Texas | 160.7 |
| California | 159.0 |
| Florida | 88.1 |
| New York | 86.8 |
| Illinois | 79.5 |
| Michigan | 67.5 |
| Pennsylvania | 65.7 |
| North Carolina | 65.3 |
| Ohio | 58.5 |
| Arizona | 55.3 |
| Georgia | 54.8 |
| Massachusetts | 52.2 |
| New Jersey | 43.2 |
| Washington | 41.8 |
| Missouri | 37.9 |
| SOURCE: U.S. ENVIRONMENTAL PROTECTION AGENCY | |

California receives the largest allotment of stimulus highway and transit money: about \$3.7 billion. California Dept. of Transportation Director Will Kempton says the state “will have no trouble putting this money to work quickly.” He says the state will obligate at least half of its highway money within 120 days of the bill’s enactment. “We plan to have a significant amount of work literally shovel-ready by the May-June time frame,” he adds.

Looking at California’s range of projects, “We’re talking about A to Z,” he says. Some possible stimulus candidates are big projects, such as a \$730-million HOV lane on Interstate 405 in Los Angeles. But there also will be overlay work in the San Francisco Bay Area and on I-710 in Los Angeles.

In transit, “We have a huge triple-track project going on in Fullerton,” for intercity and passenger rail,

Kempton says. The price tag is about \$170 million. California also has some major freight transportation projects and is eyeing the stimulus' \$1.5 billion for a competitive, discretionary grant program for major projects across nearly all modes.

Texas expects to receive about \$1.5 billion in highway stimulus aid. The Texas Transportation Commission was expected to approve an initial batch of highway projects at a Feb. 26 meeting. "They'll probably act on about \$500 million," at that session and hold a special meeting in March to obligate the rest of the state's allotment, says Steven E. Simmons, Texas DOT deputy executive director. "We believe we'll take the first bids of some of the stimulus projects in March, with the bulk coming in April and May," he adds.

The Texas stimulus plan will include some maintenance projects, "not just because they're ready, [but also] because we cut back some of our maintenance funding

Simmons says. But Texas also will pick other projects "that will benefit the state as a whole and will leave jobs behind. You'll see a good mix," he says.

Idaho will have 75% of its state highway stimulus projects advertised by early April. By May 19, all projects will be advertised and bids opened on about 70% of those jobs, says L. Scott Stokes, Idaho Transportation Dept. deputy director.

In Maine, Gov. John Baldacci (D) "challenged us to deliver all of our highway and bridge allocations—100%— within the first 120 days," says Gregory G. Nadeau, the state DOT's deputy commissioner for policy, planning and communication. By "deliver," he means obligating the money. Baldacci and Maine's U.S. senators believe "this is all about getting jobs on the street," he says. "We want to be positioned to take advantage of any redistributions" of highway funds that other states don't use, he adds.

As it mulls its project list, Maine is seeking "a mix, a balance of project types, spread geographically," and a range of project sizes, Nadeau says. "For example, paving gives us the opportunity to get some work out in the smaller rural areas for smaller contractors." But there will be work on Interstates and arterials, too.

He says Maine DOT worked with the Federal Highway Administration to pre-advertise projects, contingent on stimulus funds. The state has opened bids on two reconstruction projects, one of them a \$35-million rehab of 21 miles of I-295. Nadeau says DOT plans to move on a group of paving projects so it can award several contracts as soon as FHWA apportions the funds.

Water and Energy

Beyond transportation, the stimulus includes \$3.9 billion for EPA clean water SRFs. Linda Eichmiller, executive director of the Association of State and Interstate Water Pollution Control Administrators, says states currently are preparing to submit their lists of projects for funding to EPA's regional offices. "They have many projects to select from," she says. After the EPA regions approve selected projects, the funding will be released.

But Eichmiller also notes one complicating factor is the law's requirement that 20% of SRF projects

involve “green” infrastructure. That may cause delays for states that have not yet identified such projects.

In addition, the stimulus contains \$3.1 billion for state energy programs. The timetable for disbursement of funds for other energy-related projects could be accelerated as a result of changes announced on Feb. 19 by Dept. of Energy Secretary Steven Chu. He said DOE would streamline the way it disburses loans and grants so that stimulus funds can be made available by early summer.

“These changes will bring a new urgency to investments that will put Americans back to work,” Chu said. “We need to start this work in a matter of months, not years, while insisting on the highest standard of accountability.” The DOE reforms include reducing paperwork, processing applications on a rolling basis and using outside partners to underwrite loans to individuals, corporations and consortiums developing renewable or energy-efficiency projects.

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